

Donor Confidence Report

Issue 13, October 2010

The results in this Donor Confidence Report are drawn from an ongoing survey of donor attitudes about giving by Campbell Rinker. The sample size for the October 2010 poll is 386. Details about the study methodology, audience may be found on the final page of this report.

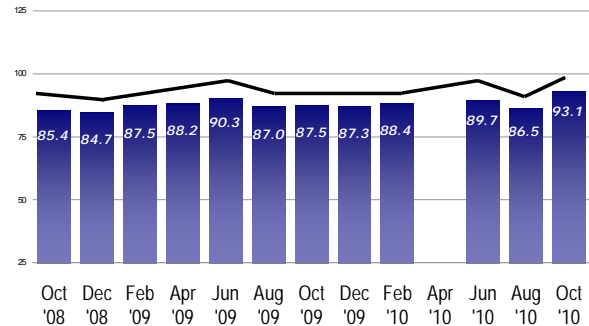
Overall Confidence Rebounds

The overall Donor Confidence Index (DCI) has risen by 6.6 points since August 2010, to 93.1.

The Index takes into account donors' self-reported expectations about their giving, their view of the nonprofit sector, the nation's economic health, and several other factors.

Sector	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10	Oct '10	2-Mo Chg
Overall	87.5	87.3	88.4	89.7	86.5	93.1	▲ 6.6
Arts, Culture and Humanities	91.9	91.3	91.7	87.7	82.9	95.6	▲ 12.7
Political and Advocacy	91.5	87.7	90.1	88.9	82.5	92.7	▲ 10.2
Animal Rights	87.0	85.2	86.8	88.9	85.3	93.0	▲ 7.7
Health and Medical	88.5	91.3	87.8	89.0	85.5	93.1	▲ 7.6
Hospitals & Hosp. Fnd.	85.6	89.0	89.3	88.4	87.2	94.3	▲ 7.1
Int'l Relief and Development	88.7	90.3	93.7	95.0	88.9	95.7	▲ 6.8
Education	90.9	89.7	88.5	88.5	87.0	93.4	▲ 6.4
Place of Worship	91.6	90.7	91.1	88.9	87.6	93.0	▲ 5.4
Social Service	86.7	90.8	89.3	88.4	84.6	90.0	▲ 5.4
Environmental	79.2	86.4	89.1	89.7	87.3	92.4	▲ 5.1
Faith-based	92.2	93.1	94.9	94.1	88.9	91.2	▲ 2.3

The performance of the Index within various sectors is shown in the table above, ranked by the change since August '10. Excepting the faith-based sector, the Confidence Index has increased significantly in every category. Opinions from any single donor impact the Index for each sector they support.



Donor Confidence Highest Since '08

Just in time for the critical fall giving season, resurgent Donor Confidence Index readings from October could spell fewer sleepless nights for fundraisers who rely on individual donors for bulk of their income.

In the latest edition of this poll conducted in late October 2010 (just before the November 2 mid-term election), the Index surged to 93.1 – a point not seen since its inception in October 2008.

This poll shows that the November election and the expected swing toward conservatism in Congress likely had little impact on donor confidence. About 30% of donors believe that a conservative majority in the House of Representatives would propel a faster economic recovery, 27% say the shift would have a negative effect, and an equivalent 28% say they are unsure what economic impact any change would bring. Results among likely voters mirrored the overall response.

(According to the DCI poll, three in four donors see financial corporations and Congress as most responsible for the current economy).

Instead, a simple lack of negative factors may be responsible for resurgent donor confidence:

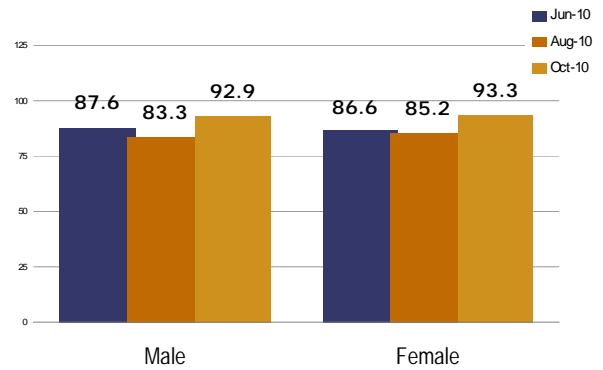
- † October did not bring any significant negative financial news to the American people (the Federal Reserve announced just days after this poll was taken that it would attempt to bolster the economy by purchasing \$600 billion of its own debt).
- † Personal income increased at about the same rate as personal consumption, meaning the average American family did not feel greater constraints on spending.
- † Though high, the unemployment rate remained consistent at a 9.6% nationally.
- † The construction and manufacturing sectors did not decline.
- † Real gross domestic product increased at an annual rate of 1.7 percent in the second quarter of 2010, slightly easing the pace set in the first quarter.
- † Aside from the late-October online leak of documents relating to the war in Iraq (just entering the news as this poll was winding down), news about this and other fronts in the war on terror was few and far between during the month.

It is interesting to note that the DCI exhibits a cyclical pattern of losing steam in August and gaining back its losses by October, as seen in both 2009 and 2010.

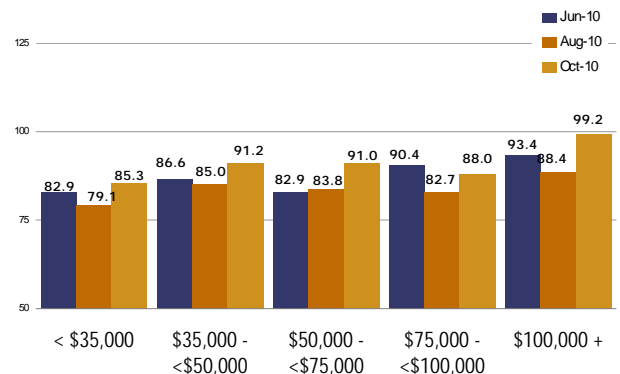
In short, it appears that current gains in the DCI were caused by a strong positive swing in donor perceptions of whether the economy will improve in the next year. From August to October, the proportion saying the economy would decline in the next year dropped from 35% to 23%, and the proportion believing it would improve went from 21% to 28%.

Donor Confidence by Demographics

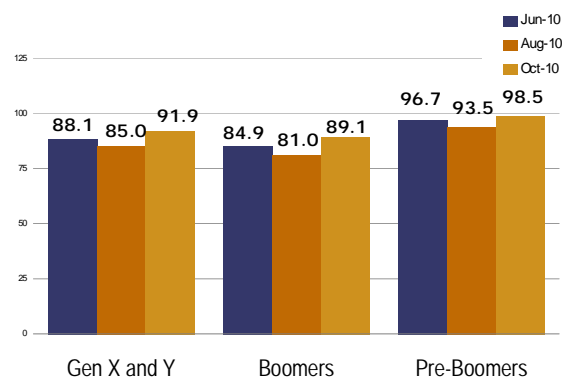
Confidence among both men and women has grown in the past two months. Men are currently somewhat more confident than women.



The October DCI shows strong gains in confidence across all income levels. Those earning \$100,000+ annually continue to be the most optimistic; the Index within this group reached 99.2 points.



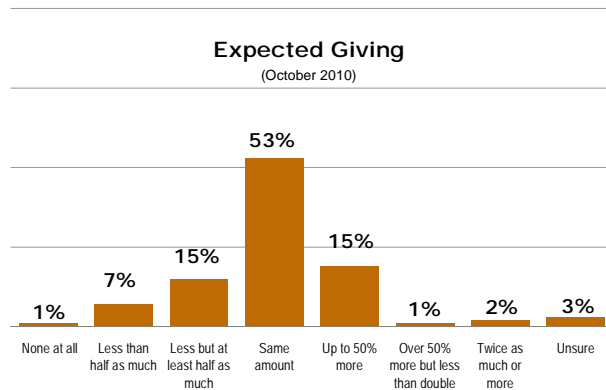
Boomers continue to score the lowest levels of confidence, while pre-boomers appear to be most optimistic. The outlook among younger peaked during this issue at above a 90 Index.



Expected Giving Unchanged

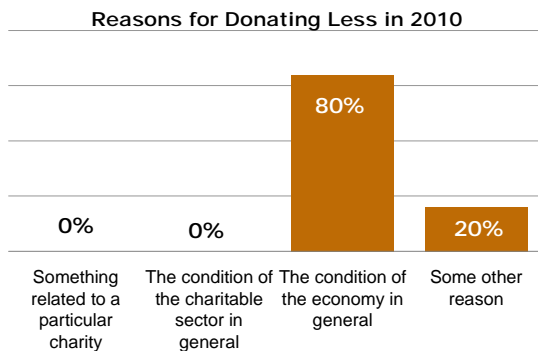
In each poll, Campbell Rinker asks U.S. donors whether they expect to give the same, more, or less in the present year compared with the last year.

Consistent with past results, about half of all donors (53%), expect to give the “same amount” in 2010 as in 2009.



Condition of Economy Still Prevents Higher Giving

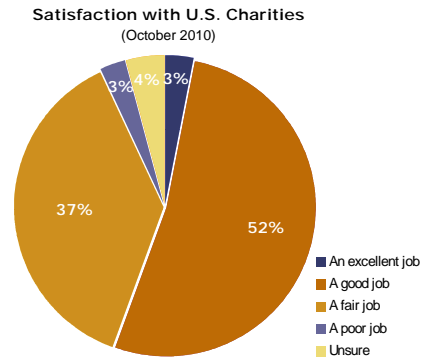
Eight in ten donors who plan to give less cite the poor economy as the reason for doing so. This percentage increased from 71% in June to 74% in August to 80% today.



Nonprofit Approval Ratings

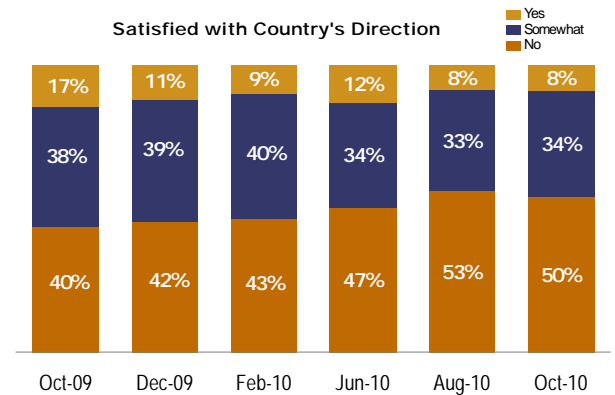
Nonprofit approval ratings have rebounded from a low point in August. Currently, 55%

find U.S charities to be doing “good” or “excellent” work.

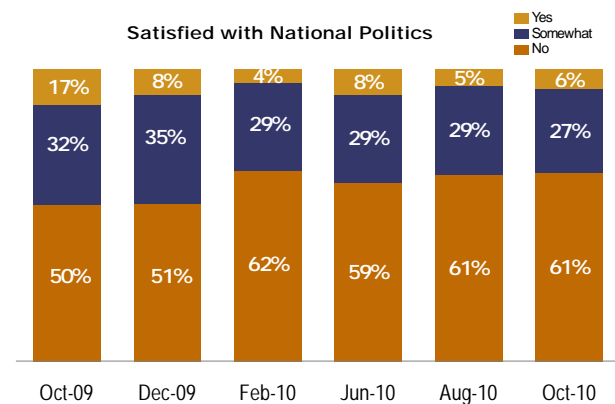


Dissatisfied with Country's Direction

The proportion of donors dissatisfied with the country's direction has dropped by three percent since August, though a near majority of 50% is still unhappy.

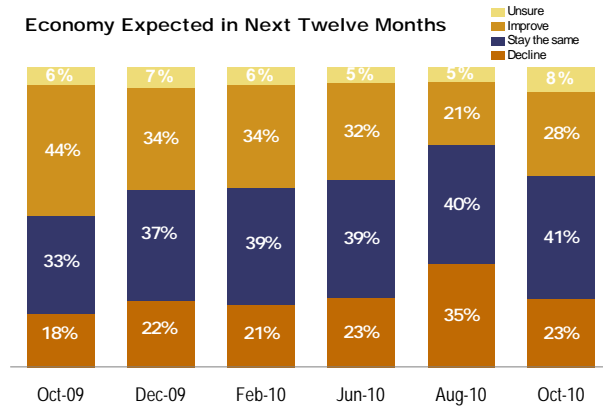


Six in ten donors remain dissatisfied with the political system at the federal level.

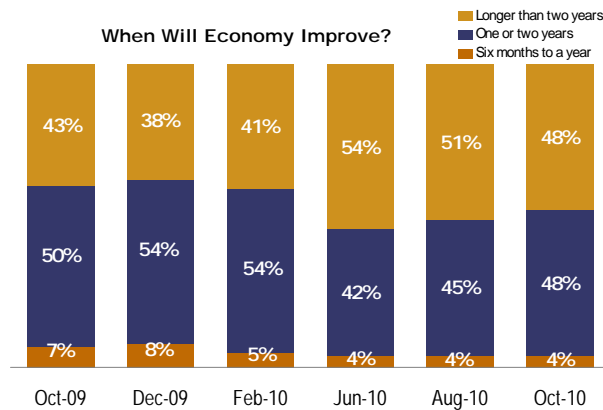


Economic Outlook

In October, expectations for the economy returned to their typical level. Consistent with what was seen in June, 23% of donors expect the economy to decline in the next year. Four in ten expect the economy to stay the same, while three in ten expect the economy to improve.



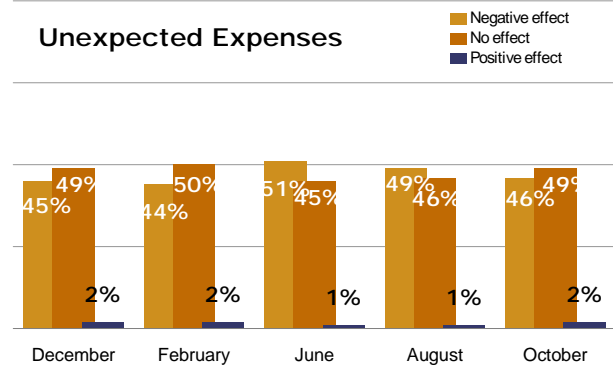
Approximately half of all donors believe the economy will improve in less than two years.



Unexpected Expenses Impact Giving Most

Unexpected expenses continue to have the greatest negative effect on giving. Forty-six percent of U.S. donors report unexpected expenses as negatively affecting their giving. However, this represents a decrease in the proportion of donors who report expenses having a negative impact.

Unexpected Expenses



A growing proportion of donors reported that the other financial impacts measured in the DCI poll – home value, household income and value of investments – had no effect on their ability to give.

Sector Spotlights

Campbell Rinker asked donors to indicate which of 11 nonprofit sectors they had supported in the last year. Within these results, ratings from one donor may contribute to the DCI in more than one nonprofit sector.

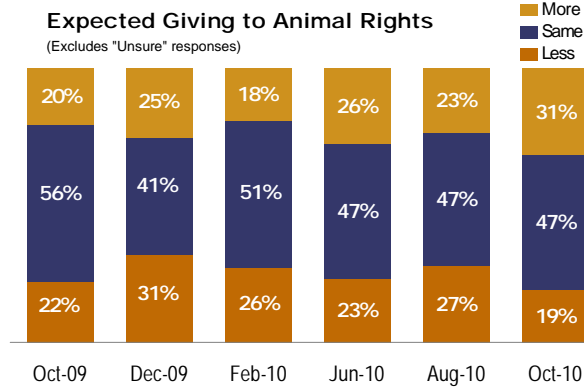
The sections below highlight the stated plans donor have for giving to each of the following nonprofit categories:

- † Animal rights, protection, and training
- † Arts, culture, and humanities
- † Educational institutions and programs
- † Environmental protection and preservation
- † Faith-based charities, excluding places of worship
- † Health and medical charities
- † International relief, education, and sponsorship
- † Not-for-profit hospitals and hospital foundations
- † Places of worship
- † Political organizations
- † Social service organizations

Animal Rights & Protection

The DCI among donors to Animal Rights charities has increased by 7.7 points since August, and now stands at 93.0. The rolling average for this sector has hit its highest point in the past year.

Sector	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10	Oct '10
Animal Rights	87.0	85.2	86.8	88.9	85.3	93.0
6-mo Avg.	88.7	86.5	86.3	87.0	87.0	89.1



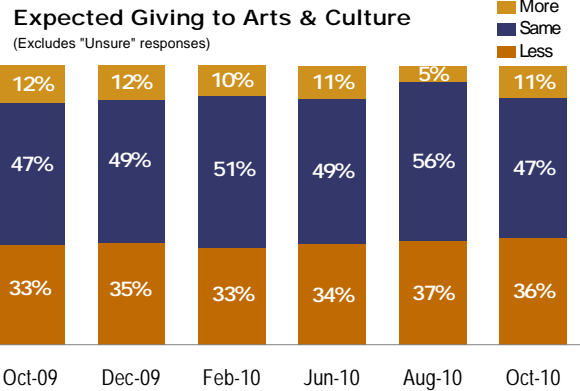
Up eight percent since August, currently 31% of donors to Animal Rights charities plan to donate more to this sector in 2010. Nearly half, 47%, plan to give the same amount.

Arts, Culture, and Humanities

The DCI among Arts and Culture donors has risen by an unprecedented 12.7 points in the past two months. The 95.6 index figure is one of the highest individual sector scores since the inception of the Donor Confidence poll. The six-month average stands at 88.7.

Sector	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10	Oct '10
Arts & Culture	91.9	91.3	91.7	87.7	82.9	95.6
6-mo Avg.	89.5	88.8	91.6	90.2	87.4	88.7

As of October, 11% said they plan to donate more to Arts and Cultural institutions, over double the proportion who said they would do so in August. The 36% of Arts and Culture donors who plan to donate less to the sector remained stable, while some signs of uncertainty prevail: The proportion of donors who said they would give the same to this sector in 2011 dropped from 56% to 47%.

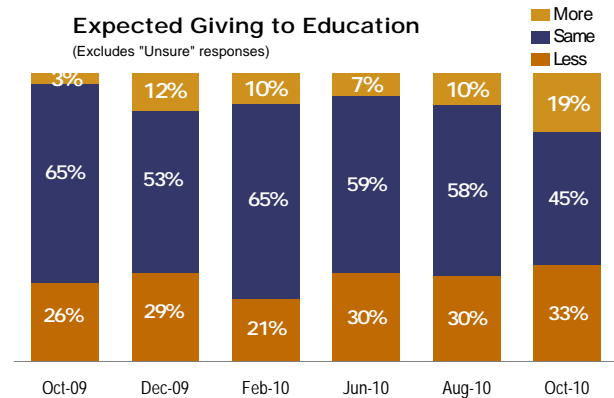


Educational Institutions & Programs

The Index for Educational Institutions has jumped 6.4 points in the past two months, to 93.4. The rolling average in this sector has held mostly steady at 89.6.

Sector	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10	Oct '10
Education	90.9	89.7	88.5	88.5	87.0	93.4
6-mo Avg.	90.0	89.5	89.7	88.9	88.0	89.6

At nearly twice the rate reported in August 2010, 19% of education donors plan to give more in 2010 than they did in 2009. Also rising is the trend for those who plan to give less to these organizations, where one in three (33%) now express that opinion.



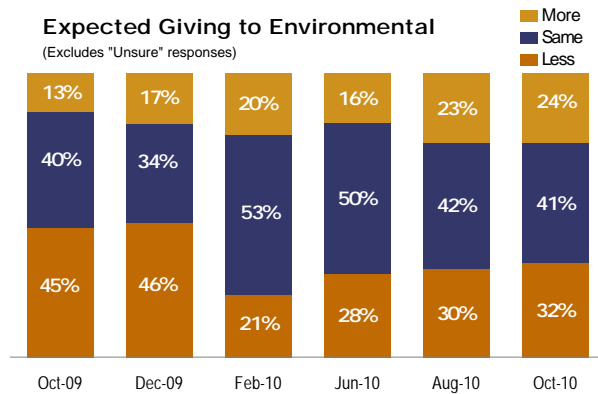
Environmental Protection

The DCI for Environmental organizations has reached its highest point in the past two years,

92.4. This marks a 5.1 point increase since last issue. Donors to the environmental sector typically express low to moderate confidence, so this increase appears as a clear sign of renewed optimism.

Sector	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10	Oct '10
Environmental	79.2	86.4	89.1	89.7	87.3	92.4
6-mo Avg.	84.3	82.8	84.9	88.4	88.7	89.8

The proportion of Environmental donors who plan to increase their giving year to year remains static, which points to improved economic expectations rather than a renewed willingness to give as the cause of these gains in the DCI.

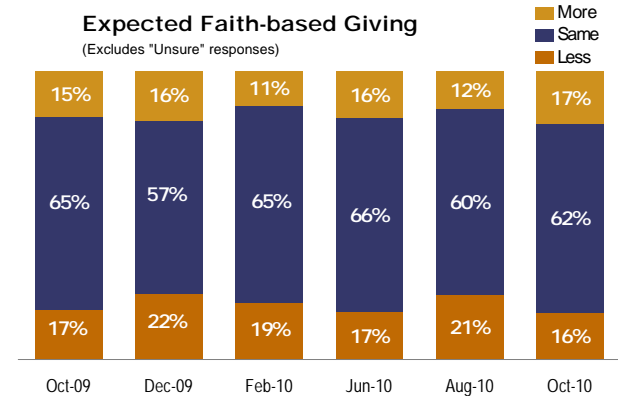


Faith-based Charities

The Confidence Index among donors to Faith-based organizations has increased by 2.3 points since August. This marks the smallest increase for any sector in this issue. Donors to this sector typically show more optimism than this; these readings could suggest that they are less hopeful about a shorter economic recovery despite the expected changes in Congress that would tend to reflect their mindset.

Sector	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10	Oct '10
Faith-based	92.2	93.1	94.9	94.1	88.9	91.2
6-mo. Avg.	89.8	91.8	93.4	94.0	92.6	91.4

More than six in ten donors to this sector, 62%, plan to give the same amount throughout 2010. Nearly identical proportions of Faith-based donors say they will either give more or less to this sector.

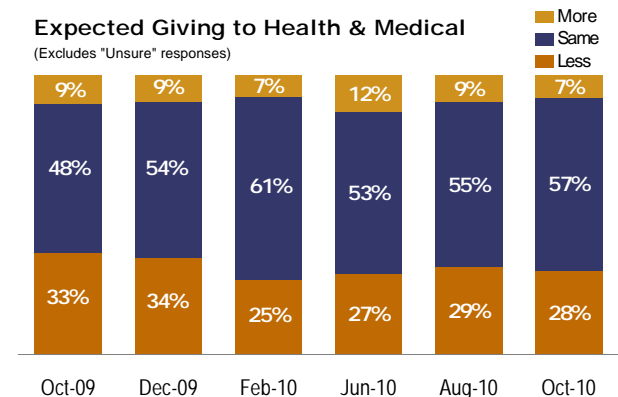


Health and Medical Charities

The Index for Health and Medical charities has risen 7.6 points since August to 93.1. The rolling average remains in the high 80s.

Sector	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10	Oct '10
Health and Medical	88.5	91.3	87.8	89.0	85.5	93.1
6-mo. Avg.	88.6	88.7	89.2	89.4	87.4	89.2

Currently, 57% of donors to Health and Medical causes plan to donate the same amount to this sector in 2010 as in 2009. Just seven percent plan to give more to the sector this year.

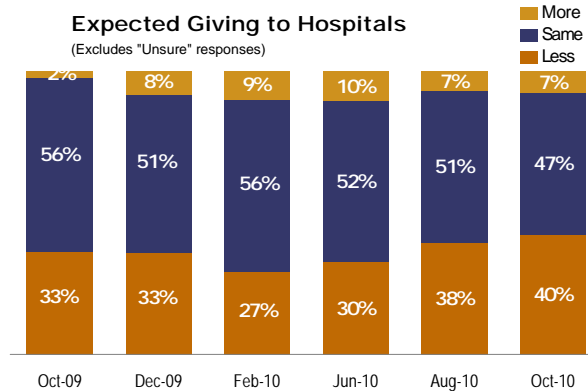


Hospitals & Hospital Foundations

The DCI for Hospital donors is currently 94.3, its highest score since the Index was initiated.

Sector	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10	Oct '10
Hospitals	85.6	89.0	89.3	88.4	87.2	94.3
6-mo. Avg.	87.7	87.5	88.0	88.9	88.3	90.0

Despite the increase in confidence, 40% of donors to this sector plan to donate less in 2010 than in 2009. About half, 47%, plan to give the same amount. This is a clear indication that donors to this sector are more optimistic about a shorter economic recovery.



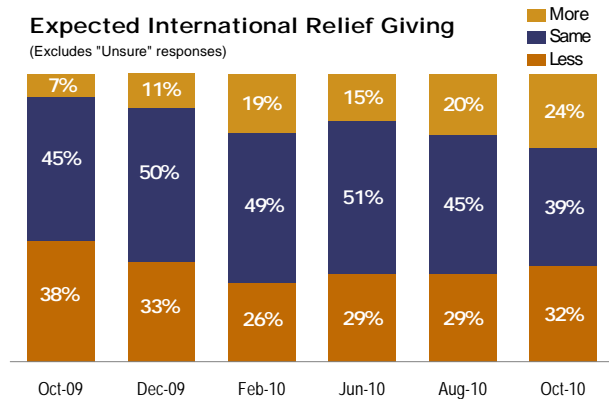
Int'l Relief & Sponsorship

The Confidence Index among donors to International Relief and Sponsorship organizations rebounded by 6.8 points in October, although this primarily reflects an August "summer slump" in confidence more than it does surging confidence in the fall. As evidence, the 95.7 score represents just a 0.7 point increase from the June Index.

Sector	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10	Oct '10
Int'l Relief and Development	88.7	90.3	93.7	95.0	88.9	95.7
6-mo. Avg.	90.4	90.4	90.9	93.0	92.5	93.2

Expected International Relief Giving

(Excludes "Unsure" responses)



Rising proportions of International Relief donors plan to give either more or less this year than in 2009, compared with a shrinking proportion of donors who plan to give the same amount.

Places of Worship

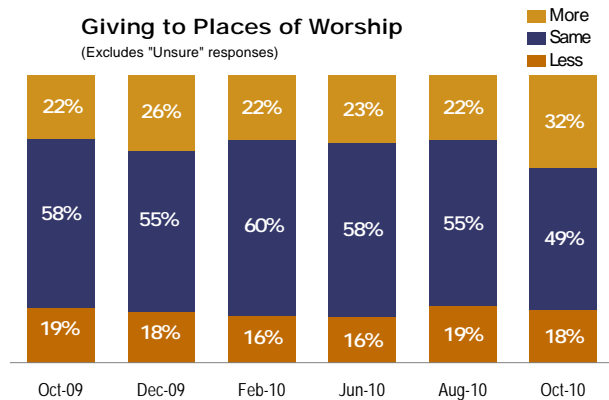
The DCI among donors to Places of Worship is now 93.0, an increase of 5.4 points since last issue. While this direction is a strong positive, the results suggest that confidence would be much higher if these donors had better hopes for an economic recovery.

Sector	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10	Oct '10
Places of Worship	91.6	90.7	91.1	88.9	87.6	93.0
6-mo. Avg.	90.2	90.3	91.1	90.2	89.2	89.8

In October, the proportion of donors saying they plan to give more to a Place of Worship increased significantly, from 22% to 32%.

Giving to Places of Worship

(Excludes "Unsure" responses)

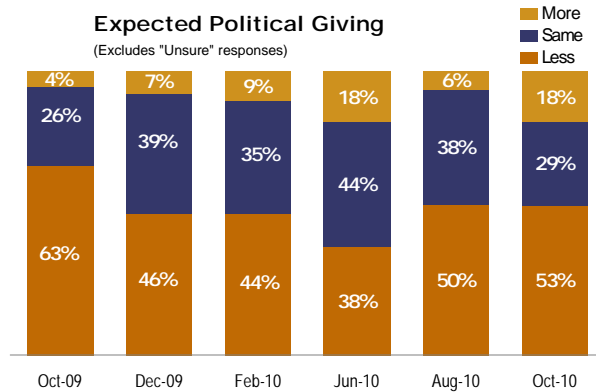


Political & Advocacy

The DCI among Political donors has jumped 10.2 points in the last two months. This is the second highest increase across all sectors this issue.

Sector	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10	Oct '10
Political and Advocacy	91.5	87.7	90.1	88.9	82.5	92.7
6-mo. Avg.	90.0	88.3	89.8	88.9	87.2	88.0

Perhaps supporting the rise in score, 18% of Political donors currently plan to give more to this sector (a 12% increase since August). This increase may, however, be short-lived, as our poll was conducted just weeks before the primary election.



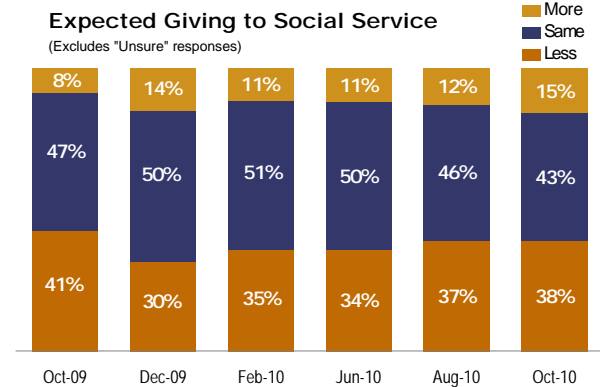
Social Service

In October, the Index for Social Service charities rose 5.4 points to 90.0. The rolling average for this sector remains in the high 80s at 87.7 points.

Sector	Oct '09	Dec '09	Feb '10	Jun '10	Aug '10	Oct '10
Social Svcs	86.7	90.8	89.3	88.4	84.6	90.0
6-mo. Avg.	87.9	88.5	88.9	89.5	87.4	87.7

Expected giving to the sector has fluctuated only slightly in the past two months, with 43% planning to give the same and 38% planning to give less. Fifteen percent currently plan to

donate more to Social Service organizations throughout 2010.



Methodology

This Donor Confidence Report poll was conducted October 15 - 25, 2010 among 386 Internet respondents who either responded to a February 2008 phone and Internet study of 3,312 donors or who have since reported similar behaviors.

To qualify to take the survey, responding households must have made a charitable contribution in the previous year and be at least 18 years old.

The Donor Confidence Index is computed at the respondent level using an algorithm developed by Campbell Rinker that considers propensity to give again, opinions and attitudes on the country, nonprofits, the economy and giving. DCI scores represent a longitudinal view of donors in October 2010 compared to a similar pool of donors in previous reports.

Fewer respondents answered some questions. The following table summarizes the estimate of error at the 95% confidence level at various sample sizes.

Sample Size	Estimate of Error
85	±10.6%
100	±9.8%
200	±6.9%
300	±5.7%
400	±4.9%

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